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RUEHLO/AMEMBASSY LONDON PRIORITY 4204  
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 1689  
RUEHNY/AMEMBASSY OSLO PRIORITY 4211  
RUEHKO/AMEMBASSY TOKYO PRIORITY 3307  
RUEHCG/AMCONSUL CHENNAI PRIORITY 8205  
RUEHBI/AMCONSUL MUMBAI PRIORITY 5776  
RUEHON/AMCONSUL TORONTO PRIORITY 0497  
RUEHGV/USMISSION GENEVA PRIORITY 2522  
RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY  
RHEFDIA/DIA WASHINGTON DC PRIORITY  
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC PRIORITY  
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C O N F I D E N T I A L SECTION 01 OF 04 COLOMBO 000015

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DEPARTMENT FOR SCA/INS

E.O. 12958: DECL: 01/03/2018  
TAGS: [PGOV](#) [PREL](#) [PTER](#) [PHUM](#) [MOPS](#) [CE](#)  
SUBJECT: SRI LANKA: GOVERNMENT DECIDES TO ANNUL CEASE-FIRE  
AGREEMENT

REF: COLOMBO 1708

Classified By: Deputy Chief of Mission James R. Moore, for reasons 1.4(b,d).

1. (C) Summary. On January 2, Sri Lanka's cabinet voted unanimously to end the Cease-Fire Agreement (CFA) signed between the GSL and the Liberation Tigers of Tamil Eelam (LTTE) in 2002. Norway, the CFA's facilitator, issued a statement regretting the decision and noting that the Sri Lankan Monitoring Mission would likely have to cease operations. President Rajapaksa told Ambassador on January 2 that the decision was made in the context of the recent bombings in Colombo and other LTTE CFA violations and that the GSL's withdrawal did not mean they were abandoning the search for a political solution. Nonetheless, the GSL military spokesman and one defense ministry official told us that heavy fighting should be expected within the next months. The LTTE has not publicly responded to the Government's decision to withdraw. The local Tamil press on January 3 was largely critical of the Government's decision to withdraw and doubtful that the Tamil community will see any of its grievances addressed under the current administration. The CFA, although frequently violated, served as a framework for talks should the two parties decide to resume negotiations. The abrogation will almost certainly lead to an increase in hostilities. Post recommends that the Department issue a statement from Washington expressing U.S. disapproval of the decision to withdraw from the CFA. End Summary.

Cabinet Votes to End CFA

2. (U) On January 2, Sri Lanka's cabinet voted unanimously to end the Cease-Fire Agreement (CFA) signed between the GSL and the Liberation Tigers of Tamil Eelam (LTTE) in 2002. According to a government press release, Prime Minister Rathnasiri Wickramanayake submitted the proposal to the cabinet on the grounds that the CFA had ceased to be relevant. The Prime Minister noted that the LTTE's use of the CFA to rearm and recruit was evidence that the group never intended to pursue a negotiated settlement. The cabinet also authorized the Prime Minister to submit notice of termination to the Government of Norway. According to the CFA, the effective date of termination will fall 14 days after formal notification of termination is received.

3. (C) A cabinet minister who was actively involved in negotiating the CFA told Ambassador on January 2 that the proposal was submitted to the cabinet without warning or pre-discussion, and that he himself was caught by surprise. He said the Prime Minister and Foreign Minister Rohitha Bogollagama appeared to be behind the initiative. Criticism of the CFA, he noted, was expressed from the optic of domestic politics and there was no discussion about how the international community would react.

4. (C) Bhavani Fonseka, senior legal researcher at the Center for Policy Alternatives (CPA), told us however that the Prime Minister was likely acting on the instructions of

the President's senior advisor Basil Rajapaksa. The Prime Minister is a Sinhalese nationalist who has opposed the CFA from the outset, she said, but he does not drive GSL policy. She noted that the cabinet endorsed it unanimously because there is no one left on the cabinet who is willing to challenge the Rajapaksas' agenda. Another source told us that the CFA abrogation was the final item on the cabinet's agenda yesterday and was approved with relatively little discussion.

#### Background on the CFA

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15. (U) The then-UNP government and the LTTE signed the CFA on February 22, 2002. The stated objective of the agreement was to find a negotiated solution to the ongoing ethnic conflict. Following the signing, commercial air flights to Jaffna began and the A-9 highway from Kandy to Jaffna was reopened. The CFA provided for the establishment of the Sri Lanka Monitoring Mission (SLMM) to monitor adherence to the CFA. Since the election of President Rajapaksa, however, violations of the CFA by both parties have increased significantly. More than 5000 people have been killed in the past two years.

#### Peace Process Institutions to Phase Out

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16. (C) Norway issued a statement on January 2 regretting the decision of the GSL to withdraw from the CFA and noting that the SLMM would likely have to cease operations. Head of Mission of the SLMM Lars Solvberg told us that he has not received formal notification of the annulment of the CFA, but has started to prepare for departure. He said that staff would likely be brought in from the field before the end of the two week notification period. The Chairman of the Secretariat for Coordinating the Peace Process announced on

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January 3 that his office will continue to operate, but will shift its focus to resettlement of internally displaced persons in the East.

#### Increased Military Activity Expected

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17. (C) The military spokesman and one defense ministry official told us that heavier fighting should be expected within the next few months. The military spokesman emphasized that "strategic changes" have been made in the Sri Lanka Army's plans for fighting the LTTE. Fonseka noted that a meeting was held at the Army headquarters in Vavuniya in late December to discuss the Army's strategy and the way forward in the North. She anticipated increased activity in Mannar, Vavuniya and Jaffna over the next few months. As the government increases activity in the North, she said, it will have to pull resources from the East. As a result, the government will become more reliant on paramilitary groups to help it maintain control of the East. For example, she said, the government is likely to give greater control of the Batticaloa area to Douglas Devananda and his Eelam People's Democratic Party (EPDP). She noted that the government was unlikely to drastically reduce its presence in Trincomalee because of its strategic value.

#### LTTE Remains Silent

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18. (C) The LTTE has not publicly responded to the Government's decision to withdraw. LTTE leader Prabhakaran observed in his November 2007 Hero's Day Speech, however, that the CFA no longer existed. Fonseka observed that the LTTE is likely to remain active, but not on a large scale. She said most of the LTTE's focus will be on defensive operations and that the LTTE sees this as "the last battle."

#### The Price of the Budget Vote

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19. (C) Abrogation of the CFA has long been a demand of the Sinhalese nationalist JVP. Most recently, the JVP listed annulment of the CFA as a condition for offering the government its support on the budget vote in December 2007. Since the vote, the government has upped its rhetoric in favor of war and against the CFA (reftel), foreshadowing the January 2 cabinet decision. Other JVP demands for support on the budget included a smaller cabinet of ministers, dissolution of the All Parties Representative Committee (APRC), and an end to western influence in Sri Lankan affairs.

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## Government Downplays Its Commitment to War

110. (C) Ambassador hosted a family dinner at his residence for President Rajapaksa and visiting Senator Whitehouse on January 2. The President did not initially raise the cabinet decision. When questioned by the Ambassador, he said the decision was made in the context of the LTTE's recent bombings in Colombo and other CFA violations by the LTTE. Ambassador said the decision would be met with deep concern by the international community and interpreted as a signal that the GSL intends to pursue war and heighten its military activities. Rajapaksa countered that the GSL's abrogating the CFA did not mean they were abandoning the search for a political solution. In fact, he said, he has instructed the APRC to deliver a proposal for a political solution to him within one month. Ambassador urged the President to explain this position publicly. The President added that several cabinet members thought the 14-day notification requirement for withdrawing from the CFA was meaningless in the current context, but told Ambassador that a special committee has been established to examine the legal implications of withdrawal.

111. (C) In accordance with the Ambassador's advice, Media Minister Priyadharshana Yapa on January 3 announced publicly that the government's withdrawal from the CFA did not mean the government was moving away from a political solution. Foreign Minister Rohitha Bogollagama is scheduled to brief Co-Chair Ambassadors on the decision at 6:00 pm on January 3. Post will report on that meeting septel.

## Public Divided on GSL's Strategy

112. (C) The local Tamil press on January 3 was largely critical of the Government's decision to withdraw. Most articles were critical of the President and expressed doubt that the Tamil community would see any of its grievances addressed under the current administration. Tamil United National Front leader K. Vigneswaran told us: "The suffering of the Tamil people will continue. The abrogation is an ill-conceived act, showing that what is uppermost in the mind of the GSL is a military solution." Reverend Bishop Savundranayagam of Jaffna said "It is a sad and unfortunate decision. If the CFA is broken, any hope of negotiation is remote." Jaffna Government Agent K. Ganesh took a more neutral view, noting that "both parties must take responsibility for the mistakes they have made." The National Peace Council, a local think tank, issued a statement saying "the government's position...is paving the way for a fight to the finish where the costs can be terribly high, success is not guaranteed, and no fall back position will be available." The statement further notes that the end of the CFA and removal of the SLMM "will deprive hapless civilians within the conflict zones of a credible authority to lodge complaints...and reduce the flow of credible information to the world outside."

113. (C) According to the CPA's latest polling, the Government has convinced the Sinhalese people that it can win the war. For now, Fonseka said, the Sinhalese public is willing to overlook issues like the rising cost of living. However, as the war moves increasingly back into Colombo and as casualties start to go up, this support may begin to fade.

## Market Reactions Muted

114. (U) Securities market reactions to the government decision were subdued, suggesting that Sri Lanka's return to conflict during 2006-007 had already been factored into the

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economic outlook. Domestically, the all-shares index declined 1.2% on January 3. Sri Lanka's recently-floated sovereign bond also dipped about 1% in Singapore trading, which HSBC attributed to the ceasefire decision.

115. (C) COMMENT: The CFA, although frequently violated, did provide a useful function. It served as a base and a framework for talks should the two parties decide to resume negotiations. Without the CFA, that framework is gone. We expect the LTTE's future demands for returning to talks will be higher than ever before. The abrogation will almost certainly lead to an increase in hostilities. With the withdrawal of the SLMM, and the GSL's deteriorating relations with the UN, we may see a reduction in international access to the North and in information coming from the North. The increase in hostilities and decreased international presence there may result in even further deterioration of the human

rights situation. At this time, post does not, however, recommend cutting back on plans to provide assistance in the East. The U.S. has an important opportunity in the East to help enfranchise minority communities and promote democratic governance. Other donors, including the EU and Japan, told us today that they continue to move forward with their plans in the East. Post will continue to monitor security conditions, which, at this time, do not preclude our ability to work there.

16. (C) Post recommends that the Department issue a statement from Washington expressing U.S. disapproval of the GSL's decision to withdraw from the CFA. Post will forward suggested points via email.

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